

Message Text

LIMITED OFFICIAL USE

PAGE 01 PANAMA 06878 082030Z

42

ACTION ARA-10

INFO OCT-01 ISO-00 SAB-01 INRE-00 SSO-00 NSCE-00 USIE-00

CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 COME-00 EB-07 LAB-04 SIL-01

OMB-01 SSC-01 IO-10 AID-05 AGR-05 /086 W

----- 064968

O R 081940Z NOV 75

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 5727

INFO AMEMBASSY BOGOTA

AMEMBASSY SAN JOSE

PANCANAL

USCINCSO

LIMITED OFFICIAL USE PANAMA 6878

E.O. 11652: N/A

TAGS: PINT, PN

SUBJECT: CHANGES IN LABOR MINISTRY AND GOVERNMENT OF CHIRIQUI
PROVINCE

SUMMARY.

NOVEMBER 8 MORNING NEWSPAPERS, QUOTING COMMUNIQUE FROM PRESIDENTIAL INFORMATION OFFICE, ANNOUNCED FOLLOWING CHANGES IN LABOR MINISTRY AND PROVINCE OF CHIRIQUI. ADOLFO AHUMADA, PRESENTLY MEMBER OF NATIONAL LEGISLATIVE COMMISSION (NLC), BECOMES NEW MINISTER OF LABOR AND SOCIAL WELFARE, REPLACING ROLANDO MURGAS WHO MOVES FROM LABOR TO THE NLC. ARNULFO BOUTET, GOVERNOR OF CHIRIQUI PROVINCE, BECOMES NEW VICE-MINISTER OF LABOR REPLACING LUIS SHIRLEY. ROBERTO VEGA BERBEY BECOMES NEW GOVERNOR OF CHIRIQUI AND WILL CONTINUE AS DIRECTOR GENERAL OF THE FRONTIER DEVELOPMENT CORPORATION. END SUMMARY.

1. CHANGES IN THE LABOR MINISTRY HAD BEEN RUMORED FOR SOME TIME. THE BUSINESS COMMUNITY HAD OPENLY EXPRESSED DISLIKE OF MURGAS WHO WAS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PANAMA 06878 082030Z

PRINCIPAL ARCHITECT OF PANAMA'S LIBERAL LABOR CODE. MUCH OF THE

PRIVATE SECTOR HAS NEVER RECONCILED ITSELF TO THE LABOR CODE; HOWEVER, THE PRIVATE SECTOR HAS BEEN EVEN MORE DISTURBED BY WHAT IT CONSIDERED TO BE THE MINISTRY'S UNIFORM ANTI-MANAGEMENT INTERPRETATION OF THE CODE IN ADJUDICATING LABOR-MANAGEMENT DISPUTES. MURGAS IS CONSIDERED BY FRIEND AND FOE ALIKE TO HAVE BEEN RIGID, DOCTRINAIRE AND ACADEMIC IN HIS APPROACH TO LABOR AFFAIRS. HE DEVELOPED A REPUTATION AS A POOR MANAGER. AHUMADA, IN CONTRAST, ALTHOUGH ALSO A LEFTIST WHO WILL BE ACCEPTABLE TO LABOR AND THE LEFT IN GENERAL, HAS A REPUTATION AS A DYNAMIC, PRAGMATIC AND FLEXIBLE MAN. HE IS A POLITICIAN, APPEARS TO BE TRUSTED BY TORRIJOS, HAS BEEN A MEMBER OF THE CANAL TREATY NEGOTIATING GROUP, AND IS GENERALLY REGARDED AS ONE WHOSE STAR IS RISING.

2. TO BALANCE THE LEFTIST CAST OF AHUMADA IS THE APPOINTMENT OF ARNULFO BOUTET. BOUTET IS REGARDED AS A MODERATE CONSERVATIVE IN ECONOMIC AND POLITICAL TERMS, ENJOYS GOOD RELATIONS WITH TORRIJOS, AND HAD DEVELOPED A FAVORABLE REPUTATION AMONG THE FARMERS AND SMALL BUSINESSMAN OF CHIRIQUI, ACCORDING TO A GOVERNMENT SOURCE WITH WHOM EMBASSY POLITICAL CONSELOR SPOKE THIS MORNING.

3. NEW GOVERNOR OF CHIRIQUI, ROBERTO VEGA BERBEY, WILL CONTINUE AS DIRECTOR OF THE FRONTIER DEVELOPMENT CORPORATION, AN AUTONOMOUS GOVERNMENT ENTITY WHICH ADMINISTERS AGRARIAN REFORM AND COMMUNITY DEVELOPMENT ALONG THE BORDER AREA IN CHIRIQUI.

4. WITH RESPECT TO FORMER VICE-MINISTER OF LABOR, LUIS SHIRLEY, THE COMMUNIQUE ANNOUNCED ONLY THAT HE WILL BE APPOINTED TO ANOTHER "IMPORTANT TASK".

5. COMMENT. THE DEPARTURE OF MURGAS FROM THE LABOR MINISTRY WILL BE WARMLY WELCOMED BY THE PRIVATE SECTOR. MODERATE CONSERVATIVE SUPPORTERS OF TORRIJOS LONG HAVE ARGUED WITHIN THE INNER COUNCILS OF THE GOP THAT MURGAS' DEPARTURE WOULD BE NECESSARY BEFORE PRIVATE SECTOR CONFIDENCE IN THE GOP WOULD BE FOSTERED. THE COMBINATION OF AHUMADA AND BOUTET IN THE LABOR MINISTRY UNDOUBTEDLY WILL BE REGARDED AS A GAIN FOR THE BUSINESS COMMUNITY, DESPITE AHUMADA'S LEFTIST IMAGE AND TIES. THIS IMAGE WILL ALSO ENSURE LABOR'S ACCEPTANCE OF THE CHANGES. THESE APPOINTMENTS, ADDED TO THE BALANCED AND MODERATE SPEECHES OF TORRIJOS AND PRESIDENT LAKAS ON LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PANAMA 06878 082030Z

OCTOBER 11, AND THE SERIES OF MEETINGS AND SEMINARS BETWEEN GOVERNMENT OFFICIALS AND REPRESENTATIVES OF THE ASSOCIATION OF PANAMANIAN BUSINESS EXECUTIVES (APEDE), AND OTHER COMMERCIAL GROUPS DESIGNED TO AUGMENT A GOP-PRIVATE SECTOR DIALOGUE SHOULD HELP ASSUAGE BUSINESS DISGRUNTLEMENT WITH GOP POLICIES. THE MORNING "CRITICA", IN A SUPERScription TO THESE HEADLINED CHANGES, STATED "COMIENZAN LOS CAMBIOS" (CHANGES ARE BEGINNING). THAT STATEMENT REMAINS CRYPTIC, AS NO INDICATION OF WHAT FURTHER CHANGES MAY ENSUE WAS

DIVULGED.

JORDEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CABINET, PERSONNEL APPOINTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PANAMA06878
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750389-0670
From: PANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751162/aaaacdgi.tel
Line Count: 117
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 08 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 SEP 2003 by KelleyW0>; APPROVED <19 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CHANGES IN LABOR MINISTRY AND GOVERNMENT OF CHIRIQUI PROVINCE
TAGS: PINT, PGOV, ELAB, PN, (AHUMADA, ADOLFO), (MURGAS, ROLANDO), (VEGA BERBEY, ROBERTO), (BOUTET, ARNULFO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006